

Message Text

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SUBJECT: POLITICAL AND ECONOMIC OPPORTUNITIES FOR THE US IN
SWEDEN'S MILITARY AIRCRAFT PRODUCTION DECISIONS FOR THE 1980'S

REF: STOCKHOLM STADIS 907 (NOTAL); STOCKHOLM 4883, 904
983, 4049 AND 4050

1. SUMMARY: SWEDEN'S NEEDS FOR A MILITARY AIRCRAFT
FOLLOW-ON TO THE VIGGEN AFTER 1980 PROVIDE OPPORTUNITIES
TO PROMOTE US POLITICAL AND ECONOMIC INTERESTS IN COOPER-
ATING WITH THE GOS AND SWEDISH MANUFACTURERS. FOLLOWING
REPORT CONCERNS MY OBSERVATIONS IN THE COURSE OF MY
VISIT TO THE VOLVO FLYGMOTOR AIRCRAFT ENGINE MANUFACTURING
PLANT. I THINK SWEDES STRONGLY PREFER, OVER CONTINENTAL
EUROPEAN OPTIONS, TO CONTINUE COOPERATING WITH PRATT-
WHITNEY AS WELL AS TO CONCLUDE COOPERATION ARRANGEMENTS
WITH GENERAL ELECTRIC. THIS SITUATION CALLS FOR A
SIGNIFICANT STRENGTHENING OF OUR ARRANGEMENTS TO ASSURE
THAT OUR POLITICAL, MILITARY, AND ECONOMIC OBJECTIVES ARE
MADE MUTUALLY REENFORCING. END SUMMARY.

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2. AT THE INVITATION OF VOLVO FLYGMOTOR PRESIDENT INGE

LOJDQUIST I VISITED THE VOLVO AIRCRAFT ENGINE MANUFACTURING PLANT AT TROLLHATAN NEAR GOTEBOG APRIL 15-16. UNDER LICENSE FROM PRATT-WHITNEY, THE VOLVO FLYGMOTOR DIVISION OF VOLVO AB MANUFACTURES THE ENGINES FOR BOTH THE ATTACK (AJ-37) AND FIGHER (JA-37) VERSIONS OF THE VIGGEN.

3. GUNNAR BROMAN, VICE PRESIDENT ENGINEERING, CENTERED HIS BRIEFING ON THE FUTURE SELECTION OF AN ENGINE FOR THE AIRCRAFT TO FOLLOW THE CURRENT VIGGEN PROGRAM (REFERRED TO AS SYSTEM 80) AND THE ALTERNATIVES AS VOLVO SEES THEM. ACCORDING TO BROMAN, THE SWEDISH AIR FORCE COMMANDER (LT. GEN. DICK STENBERG) BECAUSE OF ANTICIPATED BUDGETARY RESTRAINTS, IS OPPOSED TO THE HIGH DEVELOPMENT COSTS ASSOCIATED WITH A NEW MULTIPLE-MISSION SOPHISTICATED AIRCRAFT. AS A RESULT, BROMAN SAID, THE SAF POSITION AT THIS TIME FAVORS CHOOSING TWO SEPARATE SYSTEMS: A "MEDIUM" WEIGHT INTERCEPTOR AND A LIGHTWEIGHT STRIKE AIRCRAFT.

4. THE MEDIUM WEIGHT INTERCEPTOR WOULD BE THE VIGGEN JA-37 WITH AN UPGRADED ENGINE DESIGNATED AS RM8B-1. FOR THE LIGHTWEIGHT ATTACK AIRCRAFT, HOWEVER, CONFIGURATION IS STILL IN PLANNING STATE. TWO ALTERNATIVES ARE BEING STUDIES. ONE CONCEPT CALLS FOR A TWIN ENGINE (5000 LBS THRUST EACH) AIRCRAFT. A SECOND ALTERNATIVE IS A SINGLE ENGINE (ABOUT 10,000 LBS THRUST) AIRCRAFT.

5. TO SUPPORT THESE TWO CONCEPTS VOLVO HAS NARROWED CONSIDERATION TO TWO: THE JT25D (5000 LBS), A PRATT-WHITNEY/CANADA DEVELOPMENT, AND, FOR THE SINGLE ENGINE ALTERNATIVE, THE GENERAL ELECTRIC YJ101.

6. BROMAN AND LOJDQUIST CLEARLY FAVORED THE YJ101 AND, THUS, THE SINGLE ENGINE ALTERNATIVE. THE GENERAL ELECTRIC ENGINE IS WELL ALONG IN ITS DEVELOPMENT STAGE AS A RESULT OF THE YF17 TEST PROGRAM. WHILE VOLVO WOULD LIKE TO CONTINUE THEIR EXCELLENT RELATIONSHIP WITH PRATT-WHITNEY, LOJDQUIST EXPRESSED HIS FEELING THAT THERE WOULD BE LESS TECHNICAL RISK ATTACHED TO THE GENERAL ELECTRIC YJ101. HE HOPES TO BE ABLE TO CONCLUDE LICENSING ARRANGEMENTS WITH GENERAL ELECTRIC IN THE EVENT THE SINGLE ENGINE ATTACK

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AIRCRAFT IS IN FACT SELECTED.

7. BROMAN STATED THAT DURING A RECENT VISIT TO THE PENTAGON, HE WAS ADVISED THAT THERE WAS SOME POSSIBILITY THE US AIR FORCE MIGHT BE WILLING TO ENTER A JOINT PROGRAM (AT SOME MODEST LEVEL OF US FUNDING) IN FURTHER DEVELOPMENT OF THE YJ101 ENGINE IN THE EVENT THE YF17 PROGRAM IS TERMINATED.

8. COMMENT: IT IS BECOMING EVIDENT THAT THE SWEDES ARE LEANING TOWARD US ASSISTANCE IN THEIR SEARCH FOR A SYSTEM 80 THAT WILL FIT THEIR ANTICIPATED BUDGET. VOLVE FLYGMOTOR APPEARS ANXIOUS NOT ONLY TO CONTINUE EXISTING COOPERATIVE EFFORT WITH PRATT-WHITNEY BUT ALSO TO ENTER INTO SIMILAR ARRANGEMENTS WITH GENERAL ELECTRIC. LOJDKVIST SOLICITED MY SUPPORT IN THIS REGARD. I BELIEVE THE TIME IS RIPE TO PURSUE WITH VIGOR EXPLORATORY DISCUSSIONS WITH THE SWEDES ON NEW AIRCRAFT AND ENGINE DEVELOPMENT IN ORDER TO IDENTIFY PROGRAMS OF MUTUAL BENEFIT. IN MY VIEW, POLICY DISCUSSIONS SHOULD TAKE PLACE SOON IN WASHINGTON, FIRST WITHIN THE US GOVERNMENT AND LATER WITH SWEDISH REPRESENTATIVE SUCH AS ANDERS THUNBORG.

9. I REQUEST THAT I BE KEPT CURRENTLY INFORMED OF ANY SWEDISH APPROACHES TO DOD THROUGH SWEDISH EMBASSY, OR COMMERCIAL APPROACHES KNOWN TO DEFENSE OR COMMERCE, RE AIRCRAFT ENGINE PROCUREMENT OR PRODUCTION COOPERATION. SEPTEL FOLLOWS ON WIDER IMPLICATIONS OF DATA EXCHANGE AGREEMENTS FOR US.
STRAUSZ-HUPE

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